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High-level segment**Summary record of the 48th meeting (Chamber A)**

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President: Ms. Chatardová (President) (Czechia)
later: Mr. Mahmadaminov (Vice-President) (Tajikistan)

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The meeting was called to order at 10.15 a.m.

Agenda item 5: High-level segment (continued)
(E/2018/61)

(b) High-level policy dialogue with international financial and trade institutions (E/2018/50)

1. **Mr. Vondráček** (Speaker, Chamber of Deputies, Czechia), delivering the keynote address, said that 2018 marked the centennial of the foundation of the independent and sovereign Czechoslovak State. A founding member of the United Nations, Czechoslovakia had upheld the principles of democracy, freedom, self-belief, peace, justice and multilateralism since its inception. From 1989, Czechoslovakia had reoriented its foreign policy to pursue multilateral initiatives. Its successor State, the Czech Republic, actively participated in United Nations activities and supported initiatives that promoted global stability and prosperity.
2. The Council was ideally equipped to enable countries to exchange best practices and lessons learned in addressing such global phenomena as migration, demographic shifts, terrorism, inequality, armed conflicts and political oppression. A textbook example of the journey from poverty to progress, the Czech Republic had undergone radical economic and social development. The country's successful transformation had been facilitated by its acceptance of political pluralism, parliamentary democracy and a market economy. Its poverty rate was the lowest in the European Union, and success stories could be found in all sectors of Czech society.
3. Helping to build suitable, resilient and inclusive societies through the participation of all stakeholders was the main priority of the Council presidency of the Czech Republic. International cooperation must be promoted to coordinate the efforts of the United Nations, Governments and people, who must be encouraged to believe that the international community could make a real difference, even in difficult circumstances. In order to ensure the efficiency of concerted action, activities must be coordinated with all relevant actors. Moreover, finding solutions to local crises and global challenges also required open discussions about the rule of law; strong, transparent and accountable institutions; and, above all, a willingness to work together and listen to one another. In closing, he expressed gratitude for the Council's guidance in open international dialogue.
4. **Mr. Liu Zhenmin** (Under-Secretary-General for Economic and Social Affairs) said that it was worth contemplating what the world would look like in 2030

or 2050 if countries continued to favour business-as-usual policy models. Since 2010, the Department of Economic and Social Affairs had developed its own models to create long-term, fully integrated scenarios for climate, land, energy, water, materials, infrastructure, technology systems and development up to 2030 and 2050. The Department had also worked closely with the scientific community, most notably on the World in 2050 initiative. If the international community persisted in giving the highest priority to economic growth, the attainment of the Sustainable Development Goals and longer-term sustainable development aspirations would remain elusive despite the great progress made in many related areas, particularly through technological advances in such fields as artificial intelligence.

5. As the process of implementing the 2030 Agenda for Sustainable Development was a mere three years old, world leaders must be alerted to the prospect of alarming future scenarios. Demographic changes would have a significant impact on the implementation of the 2030 Agenda, given the essential role of people in sustainable development. According to the latest Revision of World Population Prospects, prepared by the Department, global population growth had slowed while many least developed countries continued to experience rapid population growth, with the fastest growth projected for countries that faced the greatest challenges in ending poverty and hunger and ensuring access to health care, education and decent work for all.

6. The Department projected in its 2018 Revision of the World Urbanization Prospects that the increase in the global population would mainly be reflected in the growth of urban areas and an increasingly crowded urban world, with some 70 per cent of the planet's 2050 population of nine billion expected to be living in cities. The demographic boom would require the construction of another 400 megacities in and around existing cities. While an additional two billion people would be lifted out of poverty and hunger, such rapid progress would merely compensate for the growing world population, leaving three billion people to live on fewer than two dollars a day — roughly the same number as currently lived on that amount.

7. Some 240 million people, most of them in rural areas, would likely remain without access to improved water resources, and 1.4 billion people would continue to lack access to basic sanitation. Despite rapid advances in many countries, 1.8 billion people would remain without access to modern energy services for cooking and heating. Millions would continue to be excluded from overall improvements in global health,

but universal primary and secondary education would likely be achieved by 2050.

8. Gross world product would reach \$300 trillion or more, with Brazil, the Russian Federation, India, China and South Africa (the BRICS countries) accounting for nearly half of it. A global middle class would emerge amid abject poverty. With global average gross domestic product (GDP) per capita at around \$35,000, incomes in most countries would be on par with those of developed countries at present, but some of the most vulnerable and poorest economies would remain marginalized. While impressive, crop yields and efficiencies in terms of energy, water and materials would continue to be outstripped by increasing demand. Fossil fuels would remain an important energy source despite the significant increase in renewable energy use. Steadily increasing atmospheric greenhouse gas emissions and concentrations would lead to a rise of 3°C to 6°C in global temperature. Water demand would increase by 55 per cent, with limited scope for increasing irrigation in the face of competing demands. Severe water stress would be experienced by 3.9 billion people living in river basins, and 6.9 billion people would experience some water stress. Floods would be a risk for 1.6 billion people, with the value of assets at risk quadrupling to \$45 trillion. Continued pollution by industry, including through toxic chemicals, would lead to an increase in the global burden of disease attributable to hazardous chemicals. Urban air quality would continue to deteriorate.

9. The agricultural land area was expected to increase until 2030 and decline thereafter. Deforestation rates would likely continue to decline, but most primary forests could be destroyed by mid-century. While a growing number of land and marine areas were protected, overfishing beyond the maximum sustainable yield, ocean warming, acidification and habitat degradation were likely to persist, bringing about a global collapse of wild-catch ocean fisheries, which would be replaced by aquaculture. Many of the so-called planetary boundaries were expected to be breached. Irreversible environmental events were of increasing concern, and biodiversity loss was expected to continue unabated. All in all, the mixed picture that emerged from the Department's work on sustainable development scenarios indicated that the incremental approach adopted to date would yield short-term progress while also resulting in long-term deterioration in other areas.

10. According to the most recent forecast set out in the World Economic Situation and Prospects, published by the Department, gross world product was expected to expand by 3.2 per cent in 2018 and 2019, reflecting a further improvement in the 2018 growth outlook for

developed economies. The generally positive macroeconomic conditions gave policymakers an opportunity to make meaningful progress towards achieving the Goals, thereby raising living standards on a large scale, especially in developing countries.

11. However, the parallel rise in economic risks, including increasingly unilateral trade measures that challenged the multilateral trading system, must be met with efforts to revitalize a global partnership for sustainable development and build a universal, rules-based, open, non-discriminatory and multilateral trading system. Stronger economic growth was not sufficient to ensure that those gains were widely shared. As recognized in Goal 10, reducing inequality within and among countries was essential to inclusive growth, shared prosperity and well-being. The recent acceleration in economic growth had an environmental cost. At the current rate, measures to combat climate change would not suffice to meet the objectives of the Paris Agreement under the United Nations Framework Convention on Climate Change. Moving towards more positive future scenarios would necessitate the kind of transformative action that the Goals demanded. The integration of the Goals and the commitment to leave no one behind would require innovative thinking and new policy and financing approaches.

12. To conclude, long-term sustainable development scenarios could help identify promising pathways forward; finding answers to long-term challenges would have far-reaching effects on the global economy and on the future of sustainable development. Alarming prospective scenarios should inform joint efforts by Governments and other stakeholders to implement the 2030 Agenda.

Panel discussion: "Trends in the global economy and international trade and finance"

13. **Mr. Shank** (Communications Director, Carbon Neutral Cities Alliance and Urban Sustainability Directors Network), moderator, noting that countries were not on track to meet the Sustainable Development Goals by 2030, said that taken together, alarming global trends of rising inequality, declining peace and record-breaking extreme weather linked to climate change demanded a collective response that went beyond business as usual and forced all stakeholders to leave their comfort zones.

14. **Mr. Kituyi** (Secretary-General, United Nations Conference on Trade and Development (UNCTAD)), panellist, said that the guarded global optimism that had reigned at the end of 2017, the first year for a decade in which international trade had grown faster than global

GDP, had been dampened by reduced growth forecasts worldwide, the somewhat positive outlook in developing economies notwithstanding. However, the rising and persistent drumbeat of trade war, whose futility was well-established, was causing more than anxiety; the International Monetary Fund (IMF) had projected that major tariff wars between the main trade partners would cost the global economy up to \$400 billion by 2020. Multilateralism was under similar stress, as evidenced by the deletion from the ministerial declaration adopted by the high-level political forum on sustainable development of the reference to an open, inclusive, rules-based, negotiated trading system, a consensus taken for granted since the Uruguay Round of multilateral trade negotiations under the General Agreement on Tariffs and Trade. Current anxieties were reflected in the reorganization of the corporate world; recent mergers between massive manufacturing companies, shrinking margins and the growing cost of the final product for consumers would place pressure on smaller players, particularly developing-country-based producers, to become part of the larger corporations.

15. The UNCTAD 2018 World Investment Report outlined a number of important trends. Foreign direct investment (FDI) in greenfield projects was faltering, contrary to the expectation that it would be a driver of efforts to implement the 2030 Agenda. In 2017, global FDI had declined by 23 per cent. More importantly, the most significant amount of FDI flows was in mergers and acquisitions, with limited impact on creating new livelihoods and pulling people out of poverty. The largest FDI flow was now in Asia, the only region with a significant amount of FDI in new greenfield projects. In 2017, for the first time since 1983, more international investment agreements had been dissolved than signed. Moreover, the current situation challenged the traditional expectation that the integration of global value chains would allow countries to replicate the Chinese model of reducing poverty through trade; those chains were being shortened by rising nationalism, the possibilities of new technology and tariff confrontations.

16. At \$230 trillion, global debt amounted to three times global GDP, a particularly distressing phenomenon at a time when the corporate debt of emerging economies and the sovereign debt of the poorest countries, only 11 of which were free from medium-term debt distress, appeared increasingly unsustainable. Affirming a belief in international engagement on global responsibilities for the 2030 Agenda, he called for discussions about sovereign debt workout mechanisms to be mainstreamed and for debt sustainability mechanisms to be examined anew.

17. Free financial and goods and services markets had been promoted as an economic panacea but had instead resulted in unequal globalization that had brought problems for the middle class. Trade was perceived as an easy solution, but such problems were in fact inherently unrelated to trade, and could not be solved through trade rules. Ultimately, the 2030 Agenda was being held hostage in that standoff; for instance, UNCTAD had been working with the Food and Agriculture Organization of the United Nations (FAO) and the United Nations Environment Programme (UNEP) on a plan to impose discipline in fisheries subsidies, with a view to establishing a blue economy in line with Sustainable Development Goal 14.6. Despite general agreement and the absence of opposition from any major power, the current deadlock at the World Trade Organization (WTO) was impeding further progress on the initiative.

18. In providing businesses with incentives to invest more sustainably, it was important to speak directly to rather than for the business sector. The UNCTAD initiative on sustainable stock exchanges had demonstrated that, when corporations were encouraged to develop and uphold their own managed standards of conduct, they began to invest and perfect one another. Allowing corporations to determine their ambitions for sustainability could be far more productive than speaking on their behalf and deciding on responsibilities for them.

19. **Mr. Liu Zhenmin** (Under-Secretary-General for Economic and Social Affairs), panellist, said that in order to confront the trade war phenomenon and improve the overall trading system, it would be necessary to adopt a radically new approach that captured the fundamental changes that trade itself had undergone in the previous decade. No longer limited to the sale of goods, trade had become closely interconnected with investment and production, with all countries interlinked in the chains of manufacturing trade and consumption and production. The bilateral investment treaty that the United States and Chinese Governments had begun to negotiate several years earlier had been an example of that modified approach; despite the United States Government's current reluctance to conclude a free trade agreement with China, the bilateral investment treaty would have facilitated even freer trade, as the two countries were trading partners in the same chain of production and consumption.

20. **Ms. Bárcena** (Executive Secretary, Economic Commission for Latin America and the Caribbean (ECLAC) and current coordinator, United Nations Regional Commissions), panellist, said that the current

global climate was one of uncertainty and increasing tensions related to globalization. Growth in the major economic blocs, while a positive development, had not translated into gains for all. Globalization had resulted in job losses for the middle classes in the United States of America and Europe, and its benefits had largely accrued to the wealthiest 1 per cent and the middle classes of emerging economies. The industrial policy through which the current United States president was attempting to bring companies, jobs and technology back to his country, with significant repercussions in the rest of the world, was intended to address those tensions and in fact resembled the policies that ECLAC had been recommending for Latin American and Caribbean countries.

21. The technological and digital revolution was another important trend, albeit one concentrated in a small number of companies. The actual dissemination of technology was narrow, and it was unclear how regions like Latin America and the Caribbean would benefit from the newest forms of technology in terms of jobs and in general. Strenuous efforts were under way to assess the region's standing in terms of the Internet, infrastructure and technology. While the region as a whole was lagging significantly behind other parts of the world, measures that could be taken included establishing collaboration among the private sector, the public sector, transnational technology companies and infrastructure companies; investing in updated infrastructure; and adapting to the dramatic changes in trade, from tangible to intangible goods and services, brought about by the technological revolution.

22. She was concerned that Mexico and China were escalating the trade war by imposing retaliatory tariffs. Handling the present situation in such a counterproductive manner would adversely affect the entire region in the case of Mexico. At the high-level political forum, no answer had been provided to the fundamental question of how to meet the funding requirements for the 2030 Agenda, which ranged between \$2.5 trillion and \$5 trillion per year. With official development assistance (ODA) at a scant \$142 billion and the \$160 billion in foreign direct investment in Latin America and the Caribbean going into the private sector, it remained unclear how sustainable development priorities would be funded. One funding proposal addressed the inability of middle-income countries to secure concessional funding, which they sorely needed in order to graduate from middle-income status. Another proposal sought to address the crisis resulting from tax evasion, which cost the region \$340 billion per year, a staggering 6.7 per cent of GDP. Because the issue was an international one involving the

progressive monopolization of the economy by corporations, direct engagement with developed countries and the international community was vital in recovering the \$110 billion taken from the region each year through illicit pricing and other tax evasion schemes.

23. To improve the governance of natural resources, direct engagement with transnational corporations that invested in extractive industries was necessary to establish a baseline level of tax to be paid in the countries where profits were made, in addition to the tax paid to the countries under whose jurisdiction those corporations operated, in line with measures to curb base erosion and profit shifting. Moreover, the taxes paid in the countries where profits were made must be redistributed. Secondly, negotiations between the extractive industries and local communities were the responsibility of the Government, not of the local communities. Thirdly, use should be made of technologies that mitigated the impact of extractive industries. Fourthly, economies and industries should be diversified further.

24. Such institutions as ECLAC should bring the 2030 Agenda to the attention of the very wealthy, many of whom had expressed a willingness to participate but did not know how to do so. While transnational corporations in the region were more aware of their responsibilities with regard to the Agenda, it would be necessary to involve the private sector at the national level. Any discussion with the wealthy must address the urgent matter of tax evasion, a serious problem in many Latin American countries, and make clear the need to abandon the culture of privilege to which the wealthy had grown accustomed. Public goods could be provided only by a well-financed State, not by private companies, hence the need for the rich to meet their tax obligations. In that connection, corruption was another issue that must be addressed throughout the region.

25. **Mr. Kono** (Deputy Secretary-General, Organization for Economic Cooperation and Development (OECD)), panellist, said that OECD had been doing its utmost to tackle tax evasion and illicit finance, in particular through its Tax Inspectors Without Borders project and the promotion of adherence to international standards. Efforts to that end must be intensified.

26. The world economy had continued to grow, and global growth was projected to approach 4 per cent in 2018 and 2019, according to the OECD economic outlook. The centre of gravity of the world economy was shifting to the developing world, where 26 countries had moved from the low-income to the middle-income category and 14 countries had moved from the middle-

income to the high-income category since 2000. An unprecedented period of growth had lifted millions out of poverty and moved many families into the global middle class for the first time. Despite the undeniable progress, inequalities continued to grow in both the developing and the developed worlds; in OECD countries, the average income of the richest 10 per cent of the population was roughly 10 times that of the poorest 10 per cent. In addition, for many households in the countries most affected by the economic and financial crisis, disposable income remained lower than before the crisis, and wage growth remained stubbornly low. The overall lack of inclusive growth was fuelling tensions and populism and putting the multilateral, rules-based global system to the test.

27. In an unprecedentedly interconnected world, international cooperation and multilateralism must be strengthened and re-established to cope with those trends. The slow pace of efforts to update global rules and coordinate industrial policies had engendered considerable frustration and given rise to new trade and investment restrictions that imperilled growth prospects and the ability to attain the Sustainable Development Goals. It was therefore vital to reconsider the policies that would enable the international community to achieve the Goals.

28. OECD had formulated an action plan on the Sustainable Development Goals and wished to share the best practices in that area with the global community. OECD ministers had identified strategies to invest in people, support business dynamism, create inclusive labour markets and build efficient and responsive governance. The OECD Guidelines for Multinational Enterprises, while not binding, were an international standard that the organization worked to disseminate. To conclude, OECD would endeavour to strengthen coordination and break silos in the effort to achieve the Goals, a task incumbent upon all.

29. **Mr. Shank** (Communications Director, Carbon Neutral Cities Alliance and Urban Sustainability Directors Network) said that he would welcome additional examples of structural reforms to be carried out by 2060 in order to help improve living standards. He also asked panellists for their opinions on the policy of universal basic income, which former United States president Barack Obama had recently endorsed.

30. **Mr. Kono** (Deputy Secretary-General, Organization for Economic Cooperation and Development (OECD)) said that while he could not comment on the specific content of the universal basic income policy, additional efforts were required to promote inclusiveness and contend with widening inequalities, whether through tax

systems, social security regimes or other schemes. The OECD, in its study entitled "The Long View: Scenarios for the World Economy to 2060", had shown that improving the quality of governance and raising educational attainment in the BRICS countries — both fully achievable aims — to the current average level in OECD countries would raise living standards by 30 to 50 per cent by 2060. Making product market regulation more competition-friendly, improving labour market policy settings and linking increases in pensionable ages to life expectancy could also enhance living standards. It would therefore be vital to focus on policies that could effect such changes. Lastly, if trade liberalization were to regress, long-term living standards could decline by at least 14 per cent in the most affected countries.

31. **Ms. Bárcena** (Executive Secretary, Economic Commission for Latin America and the Caribbean (ECLAC) and current coordinator, United Nations Regional Commissions) said that the Commission, which strongly endorsed the universal basic income policy, was examining whether and how the policy might be implemented and carefully analysing the cost of doing so. The unconditional payment of a basic income conferred dignity on the recipients, who were freed from mere subsistence to participate more actively in the economy, innovate and take risks. The policy had enjoyed considerable success among the elderly in the region.

32. **Mr. Gillsäter** (Special Representative of the World Bank Group to the United Nations), panellist, said that the world had made impressive, if uneven, development progress in recent decades. Life expectancy had increased by over six years since 1993, the share of children out of school had been reduced by around 50 per cent and maternal mortality was down by 44 per cent. Those positive trends notwithstanding, future poverty reduction efforts would face a number of challenges. First, high inequality threatened social cohesion and increased the risk of violence, often across borders. Moreover, the poor were increasingly concentrated in fragile and conflict-affected regions. Secondly, disruptive technologies were changing what it meant to be competitive, making the availability of low-cost labour comparatively less important. The traditional post-1945 manufacturing development model might soon become obsolete. Thirdly, rapid population growth was outpacing job creation in many low-income countries, where poverty was most prevalent. Fourthly, urbanization was proceeding apace but needed to be better managed as people flocked to low-productivity service jobs and slums continued to expand. Fifthly, climate change disproportionately affected the poor, in terms of both their exposure to risks

and their ability to adapt. Sixthly, conflicts were likely to remain frequent by historical standards and continue to affect a wider spectrum of countries. Seventhly, such forces as increased global connectedness could also unleash more frequent disruptions to countries across the development path through the spread of pandemics, humanitarian crises or economic shocks. Environmental issues, including water scarcity and soil degradation, were reducing productivity. Eighthly, the alarming accumulation of public and corporate debt had placed an increasing number of countries at risk of debt distress, hence the need for greater coordination between public and corporate borrowing.

33. The collaborative work of international organizations in analysing and addressing the global challenges of population growth and urbanization in the age of climate change exemplified the strength of multilateralism, which was the only way of managing those challenges. For its part, the World Bank had published an inventory of its activities in support of the 2030 Agenda, in partnership with the United Nations system, the private sector, civil society and academia. Lastly, the President of the World Bank had recently concluded a strategic partnership framework with the Secretary-General of the United Nations. The framework focused on implementing and financing the 2030 Agenda, climate action, the humanitarian-development nexus and the linkages between that nexus and peace and the data revolution.

34. Up to 2030 and beyond, all stakeholders, including the World Bank, would have to adapt to particular challenges as they arose. In response to that imperative, World Bank member countries had approved a capital increase of \$13 billion that would afford the institution greater financial power in the years to come.

35. **Mr. Robinson** (Deputy Director, African Department, International Monetary Fund), panellist, accompanying his statement with a digital slide presentation, said that accelerated global economic growth in 2017 had given way to a more differentiated scenario in 2018, with advanced economies other than the United States experiencing a slight slowdown. Such global economic risks as uncertainty related to trade; exorbitant debt, estimated at \$230 trillion for 2017; monetary policy normalization, including rising interest rates, as countries recovered from the financial crisis; climate change; and technology had important implications for employment and for inequality within and between countries and between genders.

36. In recent months, with regard to debt, capital had begun to flow out of rather than into emerging markets, placing significant pressures on such countries as

Argentina, Turkey and South Africa. Net financial flows into sub-Saharan Africa over the previous few years had exceeded flows into emerging markets, partly as a result of access to private financing. Such changes in global markets could lead to risks.

37. Between 1970 and 2000, economic growth in sub-Saharan Africa had been stagnant, followed by 15 years of uninterrupted, strong growth. The commodity price shock and other factors had subsequently halted growth for the previous three years. It remained to be seen whether the current stagnation would last for decades, as it had from the 1970s to 2000, or whether it would give way to another period of growth that would, in turn, facilitate progress towards achieving the Sustainable Development Goals.

38. While most of the rest of the world had experienced a demographic dividend and stagnating population growth, Africa was witnessing a massive, rapid increase in the number of people reaching working age, from 15 to 64 years old. In order to absorb that influx of labourers, Africa would have to create from 18 to 20 million jobs a year, compared to the 10 million jobs that had been created over the previous decade and a half. The enormous shift would have implications for African approaches to technology; whereas the advanced economies resorted to automation to compensate for declining populations and maintain growth prospects, in Africa it would be necessary to find ways to maintain job creation alongside the emergence of new technologies. In the preceding three years, the median share of national revenue used to pay off interest on loans had increased from 4 to 8 per cent. In sub-Saharan Africa, the number of low-income countries at high risk of or in debt distress had increased from 6 to 15.

39. No single measure would increase the resilience of low-income countries and least developed countries to economic and other crises, particularly given the global outlook of rising interest rates, increasingly tight access to international capital markets and general uncertainty in terms of policy frameworks. Focus must turn to what individual countries and low-income countries as a group could accomplish, as exemplified by the push for African integration through the establishment of the Continental Free Trade Area. It was essential to ensure that such initiatives translated into policies. Furthermore, domestic economies must be strengthened through the promotion of fiscal responsibility and the mobilization of revenues to finance the 2030 Agenda, assisted by the creative use of new technologies.

40. *Mr. Mahmadaminov (Tajikistan), Vice-President, took the Chair.*

41. **Mr. Teh** (Chief of Section, Economic Research and Statistics, at the World Trade Organization (WTO)), panellist, accompanying his statement with a digital slide presentation, said that it was necessary to look at the 15-year process that had followed the publication of the Millennium Development Goals (MDGs) to make accurate predictions about the future. Although the progress made in the achievement of the MDGs indicated that the world could reasonably expect to achieve the Sustainable Development Goals by 2030, there were many emerging challenges to inclusiveness. The preceding 15 years had seen rapid economic growth in the developing world, which had reduced the gap between per capita GDP in developing countries and the rest of the world. The share of the world economy that was captured by developing countries had increased from 43 per cent to 56 per cent in the first decade of the twenty-first century. Similarly, the share of developing countries in world trade had risen from about one third in 2000 to about one half in 2012. There was a clear, positive correlation between increases in GDP and trade growth.

42. Although many countries had achieved or surpassed the MDGs before the 2015 deadline, least developed countries had faced significantly more challenges in that regard. The current share of least developed countries in global trade still hovered at around 1 per cent. WTO had been instrumental in creating a predictable, rules-based trading system that allowed many countries to actively participate in the global economy, consequently lifting millions out of poverty. Reasonable optimism was therefore warranted regarding the achievement of the economic targets of the Sustainable Development Goals.

43. The WTO report entitled "Trade in 2030", to be published in October 2018, would examine the impact of digital technologies on global trade and inclusiveness. By 2030, WTO expected a shift from trade in goods to trade in services, and the expansion of trade as digital technologies lowered the costs of transactions and of searching for products. Although concerns remained about the ability of low-income countries and less skilled workers to adapt to those technologies, the outcome would depend on the interplay between the forces involved. For example, many people were concerned that three-dimensional printing would reduce the participation of developing countries in global value chains; however, if trade costs fell rapidly enough, such printing would not necessarily result in the reshoring of production. However, stark digital divides persisted between developed and developing countries, and sometimes within countries and between urban and rural communities, men and

women, and skilled and unskilled workers. Unless countries prioritized the mitigation of those divides, inclusiveness would continue to be a challenge.

44. WTO analyses of recent tariff increases on steel and aluminium suggested that, if current trade skirmishes continued to be confined to specific areas, the damage to the global economy and world trade would be around one third of a per cent. It was a matter of more concern that such trade policies increased uncertainty regarding national commitments to multilateral trade rules. Simulations conducted by WTO had estimated that such uncertainty would cause four times as much damage as direct tariffs. It was therefore essential to contain trade disputes and encourage discussion among the parties involved, including through bilateral trade agreements and multilaterally through WTO and other international organizations. Many trade measures were taken as a result of a perceived lack of reciprocity; discussions should therefore focus on such measures and restore mutual trust.

Panel discussion: "Projections and visions on the advancement of sustainable development"

45. **Mr. Oumarou** (Deputy Director-General for Field Operations and Partnerships at the International Labour Organization (ILO)), panellist, said that the world faced rapid changes that were unprecedented in scope, including climate change, globalization, technological innovations, demographic shifts and migration flows. Those changes affected the world of work and would have direct consequences for the implementation of the 2030 Agenda and the achievement of the Sustainable Development Goals.

46. The world consumed more resources than it replenished, and produced more waste than it could absorb, but almost 40 per cent of all jobs were directly related to water, a resource with a potentially huge impact on the achievement of the Goals and on employment around the world. On account of climate change, cereal production in Africa was predicted to drop by 2 per cent by 2030, which would affect agricultural employment and sustainable development more broadly. Consideration must be given to the ways in which different models of production and economic structures could address the interlinked issues of employment and the environment. As a new, environmentally responsible economic model emerged, it was likely that new jobs would emerge while others would disappear. More jobs could be saved if the environmental dimension were integrated into production processes. In addition, jobs created in the

renewable energy and green industry sectors could help address unemployment and underemployment.

47. **Mr. Siikamäki** (Chief Economist, International Union for Conservation of Nature), panellist, accompanying his statement with a digital slide presentation, said that over the previous few decades, economic growth had lifted millions out of poverty and improved the quality of life more generally. However, the benefits of development were not shared equitably and economic growth often occurred at the expense of biodiversity and ecosystem preservation. The world was facing a sixth mass extinction event, caused, unlike the previous five, by one of the species on Earth: humans.

48. Currently, a significant proportion of most taxonomic classes was at risk of extinction; in the most threatened class, amphibians, one third were at risk. Given that the timescales involved in extinctions were geological in nature, it was abnormal for so many changes to be witnessed during a human lifetime. Extinctions were being caused by urban development, climate change, pollution, agricultural expansion and the overexploitation of certain species. Many countries had begun to mitigate those threats and protect key biodiversity areas, including terrestrial and fresh water systems. However, many unprotected regions were still at risk.

49. Climate change was the greatest challenge facing humanity and nature, as it placed enormous pressure on species and ecosystems more broadly. While such pressure was a matter of concern, nature offered various means of mitigating climate change; for example, forests and wetlands stored carbon emissions. By better restoring, conserving and managing nature, the international community could reduce emissions and sequester carbon from the air. Recent publications indicated that there were at least 20 different avenues to mitigate climate change by harnessing nature, and that nature's mitigation potential was much greater than previously thought. Natural climate solutions could potentially provide 37 per cent of the cost-effective carbon dioxide mitigation measures needed to keep global warming below the 2-degree threshold by 2030. It was also more cost-effective to mitigate climate change by harnessing nature, than by tapping into other economic sectors such as transport or energy.

50. Sustainable Development Goals 14 and 15 were the Goals most directly related to environmental concerns; however, the preservation of nature was also recognized in specific targets related to food security and responsible production and consumption. Nature-based solutions were at the heart of sustainability: it was essential to promote nature management to address

hunger, labour, food security and many other broader objectives. Greater investment would be needed to address the significant funding gap that remained. It was estimated that between \$250 billion and \$350 billion per year was needed for nature conservation. The public sector, which had traditionally been the source of such investments, could not provide all of that amount, some of which would need to be provided through blended finance solutions and innovative means of private financing. Economic growth should not be pursued at the expense of nature but combined with the preservation of nature, and nature-based solutions should be exploited to improve economic well-being globally.

51. The most powerful argument that could be made to emphasize the impact of species extinction and biodiversity loss on the economy was that, with each species lost, a unique piece of information disappeared forever. More broadly, however, ecosystem degradation entailed the loss of various natural services on which humans depended, including water and air quality control. The natural services provided by ecosystems were economically significant, though it was difficult to estimate their financial value directly, as they did not necessarily show up in corporate or national budgets. It was important to find ways to represent that loss in measures such as GDP and corporate profit.

52. **Ms. Tully** (Co-founder, School of International Futures), panellist, said that good sustainable development strategies must be developed to deal with the uncertainty that the world would face up to 2030. Foresight and the development of alternative scenarios were important in building resilience, as had been shown by the relative resilience of Singapore, which had used strategic foresight to inform policy-making, to the 1997 financial crisis. Unfortunately, the universal, long-term and participatory framework of the Sustainable Development Goals was not currently being matched by adequate strategic planning processes around the world. The 2030 strategies currently being developed did not look at the unintended risks or unforeseen opportunities that could emerge thanks to technology; they often remained linear and narrow. Secondly, humans were not changing their behaviour quickly enough to ensure the necessary transformations.

53. Policymakers must mainstream strategic foresight and develop alternative scenarios when they worked on sustainable development strategies. She welcomed the efforts of the Secretary-General and the Deputy Secretary-General in looking at frontier issues, promoting preventive scanning and bolstering the role of resident coordinators to bring communities together. Many countries, cities and international organizations

were beginning to realize the value of sectoral and global scenario planning. It was essential to prepare contingency plans for worst-case scenarios. In Africa, for instance, one country had been able to prevent an electoral crisis precisely because its military had prepared for such a scenario. It was important to develop agility and think about the future, instead of governing on the basis of the past.

54. Governments and communities must focus on promoting technologies, financing prevention measures and ensuring citizen participation, using foresight to think more critically about how new technologies could affect the world and how regulation could ensure representation and access for all. Scanning, foresight and the development of counterfactual models should be used to avoid future conflicts and famines. For example, investment should be made in health systems to prepare for the shift predicted in malaria distribution as a result of climate change. Data, indicators, monitoring and evaluation must be taken into account. Citizens should actively participate, including in budgeting. Member States should adopt strategic foresight measures at all levels of government, including ministries, the judiciary, legislature and audit committees. Anticipatory governance skills and institutions should be developed to better respond to emerging challenges, in part by ensuring that the participation of citizens, particularly young people, remained a key element. Member States must also support the United Nations system so that it could respond in a coherent fashion across the development, humanitarian and peace and security pillars. Crises presented short-term windows of opportunity that could be used to change people's minds and habits if a dialogue on the subject had already existed prior to the crisis.

55. **Mr. Gyan-Baffour** (Ghana) said that an enormous amount of resources would be needed to achieve the Sustainable Development Goals, and the private sector would not be able to provide the trillions of dollars needed. The United Nations should examine each Goal at the national level, determining the need for catalytic interventions on a case-by-case basis.

56. **Ms. Hamdouni** (Morocco) asked how the special and differential treatment granted to developing countries in WTO agreements could promote and accelerate the implementation of the 2030 Agenda in developing countries.

57. **Mr. Teh** (Chief of Section, Economic Research and Statistics at the World Trade Organization (WTO)) said that the need for such treatment was recognized in Sustainable Development Goal target 10.A, while the proportion of duty-free tariff lines from least developed

and developing countries was monitored through indicator 10.A.1. In the previous 10 years, there had been a large increase in the amount of duty-free tariff lines. In 2005, less than 50 per cent of tariff lines from developing countries had been duty-free, whereas by 2015 almost two-thirds were.

58. **Ms. Tobin** (Observer for WaterAid) said that, as a member of the non-governmental organizations major group, WaterAid felt it was essential to firmly situate the Sustainable Development Goals within a human rights framework in all contexts, including when receiving support from international financial institutions and United Nations agencies. The State must be reaffirmed as the duty-bearer of all human rights, and all guidance and finance must ensure that Governments had the necessary policy space to enact regulation, enforcement and fiscal measures to advance their democratically owned and rights-based development agendas.

59. The discussions at United Nations Headquarters did not reflect developments in the rest of the world, including bilateral summits; for instance, there was a huge discrepancy in many countries between the high levels of military spending and the minimal budget allocations reserved for sustainable development. The urgent need for universal social protection floors and for public financing to address poverty and rising inequality was not always matched by concrete commitments outside the United Nations.

60. The 2030 Agenda could be implemented only if the systemic and structural obstacles to the socioeconomic transformation of developing countries were addressed. She was concerned regarding the emphasis placed on blended finance and public-private partnerships by international financial institutions, as such measures redirected scarce public resources towards the private sector while leaving the public responsible for all risk. Private finance must complement rather than replace national and international public resources. IMF should not impose fiscal consolidation on countries, as austerity policies and regressive taxation seriously impeded their ability to finance the achievement of the Sustainable Development Goals.

61. Countries should enact financial transactions acts, and an intergovernmental tax cooperation body should be established at the United Nations level. The power to make economic, financial, monetary and trade-related decisions must be taken away from international financial institutions and entrusted to the United Nations, with a view to democratizing global economic governance. Trade must be organized through multilateral forums that ensured the rights-based

implementation of the 2030 Agenda as well as sufficient policy space for national regulation. The high-level political forum on sustainable development and the Council did not have the power or scope to monitor the achievement of the Sustainable Development Goals. International financial institutions should support governance reform and work with Governments to implement the 2030 Agenda with a focus on human rights and dignity for all.

62. **Mr. Robinson** (Deputy Director, African Department, International Monetary Fund (IMF)) said that IMF programmes were developed in close collaboration with Governments and explicitly anchored in national policy frameworks. IMF always respected national priorities, calculated which interventions would have the most impact in those areas, and discussed options consistent with the resources available. While military spending was on the rise, the issue of most concern was increased spending on security and refugees in many low-income countries, which also struggled with development issues.

63. **Mr. Oumarou** (Deputy Director-General for Field Operations and Partnerships at the International Labour Organization (ILO)) said that a net increase of between 0.5 and 2 per cent in the number of jobs worldwide was predicted by 2030 if green initiatives were launched. A virtuous cycle could be created, with green jobs helping to preserve nature, just as a healthy natural environment could be harnessed to create decent working conditions. Climate change and other environmental issues were an ideal lens through which to examine the Sustainable Development Goals, including those related to the future of work. Environmentally friendly, inclusive jobs would help eradicate poverty and lack of job security. Structural economic transformations must be accompanied by decent working conditions, as envisioned in Sustainable Development Goal 8.

64. **Ms. Tully** (Co-founder, School of International Futures) said that the implementation of the 2030 Agenda seemed challenging unless one took a more optimistic view of technology and envisioned a future in which blockchain, artificial intelligence, synthetic biology and a hyper-digital economy played prominent roles. The scenarios developed by the OECD depicted a radically different world, with huge opportunities for health and food security. The international community should therefore adopt a more creative vision of the future, in which the opportunities presented by future technologies were harnessed but such concerns as the political consequences of geoengineering and pandemics were taken into consideration.

65. **Mr. Siikamäki** (Chief Economist, International Union for Conservation of Nature) said that many people who suffered from hunger and poverty depended directly on natural resources for their livelihoods, including 1.5 billion people who depended on forests alone. In terms of natural resource degradation, the poorest also tended to be affected the most, and the most rapidly. The unsustainable management of natural resources, whether as a result of insufficient technology and capital, governance issues or land tenure problems, should be addressed so that the lives of many could be improved in the short term. Although calls for private funding to manage natural resources had been made, public funding would also be needed to establish the necessary education, technology and governance structures. In the long term, perhaps such structures would become sustainable and attract private funding.

The meeting rose at 1 p.m.